

EXHIBIT B

MAKING IT



Making Tracks in the Footwear Industry

When the U.S. District Court of Boston ruled there were knots in a B.F. Goodrich and Converse Rubber Co. transaction, the way was unlaced for Walter A. Collymore's debut into America's billion dollar footwear industry.

Collymore, a solid performer who in less than six years rose to the vice presidency of Control Data Corp. in Minneapolis, Minn., added to his achievements when he organized P.F. Industries last April. The Bristol, Rhode Island-based company acquired exclusive rights to P.F. and P.F. Flyer children's shoes and Jack Purcell adult athletic footwear lines. For five years, these brands made up a segment of Converse's annual sales of approximately 36 million pairs of shoes. With eight million joggers, three million racket players and 29 million tennis players making up 25 percent of today's burgeoning shoe sales, Collymore has hit upon a potential goldmine.

The story of P.F. Industries began in 1972 when the Department of Justice claimed that the sale of B.F. Goodrich's trademarks and Rhode Island factory to Converse, already an industry stalwart, was in violation of the Clayton Anti-Trust Act. Converse was subsequently ordered to divest its new holdings.

With the assistance of government and private groups, Collymore assembled a

\$5.7 million financing package and made the purchase. A MESBIC syndicate of six East Coast venture capital firms contributed one million dollars. The bulk of the monies was secured from the Economic Development Administration of the Department of Commerce, the Old Stone Bank of Providence, and the Eltra Corporation (the financial holding company that owns Converse).

Collymore believes that minority businessmen should contemplate investment in established companies. "That's the best way to cut the tremendous risks of start-up enterprises. More importantly," he counsels, "it's a good way to leapfrog the many years needed to develop a company." P.F. Industries bought a 30-year-old business and the B.F. Goodrich brands were well entrenched in the nation's mid-price market. "I remember P.F. from my childhood," says the 44-year-old entrepreneur.

P.F. Industries manufactures three million pairs of sports shoes yearly, although its factory has the capacity to turn out seven million pairs. The plant is laid out on 150,000 square feet and employs 500 workers. In fact, a spokesman for the Bristol Chamber of Commerce revealed that P.F. Industries is the largest employer in the area. Collymore pledged to keep his operations based in Bristol and is proud to have helped save the jobs of those dependent on the factory.

Among the key persons on P.F. Industries' team is John T. Gallagher, vice presi-

dent of finance. Gallagher was formerly chief executive officer of the Gilbert Companies, a conglomerate that dealt in footwear retailing, and vice president of finance for the Gerbo footwear company. Leonard Lapin is the company's director of sales. He adds his experience as a former major account executive of Wolverine's Hush Puppies Division to the crew. The vice president of production and engineering is Robert Rau. For 10 years, Rau served as manager of operations for B.F. Goodrich plants, including one in Lumberton, N.C., and the Bristol facility. It is his job to watch over costing, purchasing and quality control. Collectively, the three men contribute over 50 years of shoe industry expertise to the new company.

P.F. Industries is aiming for a major share of the market and projects sales of from \$15 million to \$20 million during its initial year. The team is currently exploring new prospects for expansion of its P.F. children's line. With the design of youngster's footwear so highly influenced by adult wear, P.F. styles will be reconfigured with popular nylon and suede uppers and runner-shoe sole treatments. The Purcell trademark will also introduce new styles, highlighting both function and fashion in its sports shoe offerings to the men's and women's market. "We sell high quality footwear," Collymore concludes, "and with careful planning combined with innovative marketing, there is no reason why we should not reach the top." □